

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4281-03
Bill No.: SCS for HB 1411
Subject: Licenses - Professional
Type: Original
Date: May 8, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	\$0	\$17,155	\$17,155
Total Estimated Net Effect on General Revenue Fund	\$0	\$17,155	\$17,155

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	Unknown	Unknown	Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Higher Education, Department of Labor and Industrial Relations, Department of Revenue, Department of Public Safety (DPS) - Director's Office, DPS - Division of Fire Safety, DPS - Missouri Veterans' Commission, and Office of State Treasurer** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Office of Lieutenant Governor** assume the proposal will not have a fiscal impact on their organization as there was an appropriation for the trust fund.

Officials from the **Office of Administration - Administrative Hearing Commission** state the proposal will not significantly alter its caseload. However, if other similar proposals also pass, there are more cases, or more complex cases, there could be a fiscal impact.

Officials from the **Department of Economic Development - Division of Professional Registration** state having reviewed the proposed legislation and having sought the conclusion of the appropriate board(s), they are of the opinion the proposal, in its present form, has no fiscal impact on their organization.

ASSUMPTION (continued)

In response to an earlier version of this proposal, officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Corrections (DOC)** assume passage of this proposed legislation would ultimately result in savings for DOC.

The initial purchase of equipment and installation at hearing sites throughout the state would be approximately \$49,770 the first year of implementation (FY07). However, this would be offset by approximately the same dollar amount saved from costs of motels, meals and mileage for staff who no longer have to travel to attend hearings. This is indicated by net \$0 in FY07.

The second and subsequent years (FY08 and on) would show the same savings of approximately \$49,770 and this would be offset for ongoing operating costs of approximately \$32,616 for the equipment, resulting in the net savings of approximately \$17,155 per year. This is only an approximation, as inflation, etc. has not been factored in.

Oversight notes penalties collected under Section 327.077 pursuant to section 7 of article IX of the Missouri Constitution are to be deposited in the General Revenue Fund for distribution to County Treasurers.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
GENERAL REVENUE FUND			
<u>Income - Civil penalties collected*</u>	Unknown	Unknown	Unknown
<u>Savings – Department of Corrections</u>			
Reduction in travel expenses	\$49,770	\$49,770	\$49,770
<u>Costs – Department of Corrections</u>			
Equipment/operating costs	<u>(\$49,770)</u>	<u>(\$32,616)</u>	<u>(\$32,616)</u>
<u>Transfer-Out - County Treasurers</u>			
Transfer-Out of penalties collected for distribution to schools*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$17,154</u>	<u>\$17,154</u>
* Collected penalties and distributions to county treasurers nets to \$0.			

FISCAL IMPACT - Local Government

FY 2007
(10 Mo.)

FY 2008

FY 2009

**LOCAL GOVERNMENTS -
SCHOOLS**

Income - County Treasurers

Transfer-in of penalties collected

Unknown

Unknown

Unknown

**ESTIMATED NET EFFECT ON
LOCAL GOVERNMENTS -
SCHOOLS**

Unknown

Unknown

Unknown

FISCAL IMPACT - Small Business

This proposal may impact small businesses if they are investigated and incur penalties.

DESCRIPTION

This proposal defines "advertising" for the purposes of real estate broker solicitations. Currently, communications of certain entities are not regulated with respect to real estate brokers when real estate advertising is incidental to the operations of the entity. This proposal adds "Internet communications" to this category.

Under current law, an applicant for a broker license must be a licensed salesperson for at least one year or have, within six months of the application successfully completed the required curriculum from a school accredited by the Missouri Real Estate Commission. This proposal requires the applicant to be a licensed salesperson for at least two years and complete the required curriculum.

Under current law a licensee's or applicant's license shall be revoked or refused if the licensee or applicant has pleaded guilty to or been found guilty of certain offenses. This proposal imposes the same action upon licensees or applicants that have pleaded nolo contendere to the same offenses.

This proposal removes appellate jurisdiction for revocation challenges from the Missouri Real Estate Commission and places it with the Administrative Hearing Commission.

This proposal increases the membership of the elevator safety board from 11 to 13 members. Currently 6 members constitute a quorum and 6 members are allowed to be from the same political party. This proposal stipulates that 7 members constitute a quorum and 7 members may be from the same political party. The proposal adds a state licensed professional engineer and a

DESCRIPTION (continued)

representative of an elevator company that installs, services and maintains elevators but who is not a manufacturer, to the membership of the board. A designee of the director of the Department of Public Safety may represent the director's membership on the board.

Currently, the Missouri Women's Council is required to prepare a state plan and gather annual reports from numerous state departments. This proposal eliminates these requirements as well as one of two duplicate provisions which authorize a special license plate bearing the council's emblem and the phrase "breast cancer awareness."

The proposal modifies the council's mission by adding the following requirements: (1) initiate programs to support women making the transition from work to home, operating a home-based business, and working part-time from home; (2) conduct an inventory of existing federal, state, community, and private programs and facilities relating to the economic and employment needs of women and make this information available to Missouri women; and (3) determine which economic and employment problems exist in specific geographic areas of the state by developing a self-sufficiency standard.

This proposal repeals a provision that was to sunset on August 28, 2006, which authorizes dental hygienists to provide certain dental treatments to children on Medicaid without the supervision of a dentist.

Current law provides that the General Assembly shall encourage the development of any veterans' programs related to outreach and education about the historical significance of veteran service. This proposal removes provisions related to outreach, and also provides that the Lieutenant Governor, rather than the Veterans' Commission, shall administer the provisions of the act.

This proposal also provides that the Lieutenant Governor, rather than the Veterans' Commission, shall administer the Veterans' Historical Education Fund, which shall be used solely to fund veterans' education programs, as provided by this proposal.

This proposal authorizes the State Board of Probation and Parole, at its discretion, to conduct probation and parole hearings by means of videoconferencing. The victims are allowed to testify at either the location where the videoconferencing is taking place or at the institution where the offender is located.

This proposal authorizes the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects to impose civil penalties against licensed and unlicensed persons. Any person who practices architecture, engineering, land surveying or

DESCRIPTION (continued)

landscape architecture without a valid license may be subject to an administrative action by the board to seek a civil penalty. The board may initiate investigations against the unlicensed person and may issue subpoenas to compel attendance and testimony of witnesses.

The complaint must be filed with the Administrative Hearing Commission, which shall conduct a hearing and issue its findings of fact and conclusions of law. The duties of the commission are amended to include the ability to hear such cases. If the commission finds the unlicensed person has violated this proposal, then the board may issue a civil penalty not to exceed \$5,000 for each day of violation, with a maximum penalty of \$25,000. The unlicensed person has the right to appeal the order imposing the fine to a circuit court. Once the case is final, and the penalty is not timely paid, the Attorney General may commence an action to recover the penalty, including reasonable attorney fees and costs and a surcharge of 15% of the penalty plus 10% per year on any amounts owed. The validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

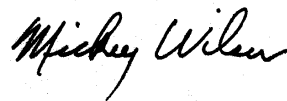
In any action to impose a civil penalty, whether against a licensed or unlicensed person, the board may assess its reasonable costs and expenses incurred in conducting the investigation and administrative hearing. Finally, the board is authorized to impose a civil penalty against a licensee after a finding by the Administrative Hearing Commission of cause to discipline the license.

An unlicensed person may use a form of the word "engineer" without being subject to disciplinary action if the use is reflective of that person's profession and does not imply that the person is holding himself or herself out as being a professional engineer.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Office of Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Higher Education
Department of Economic Development -
 Division of Professional Registration
Department of Elementary and Secondary Education
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety -
 Director's Office
 Division of Fire Safety
 Missouri Veterans' Commission
Office of Lieutenant Governor
Office of State Treasurer



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